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June 17, 2005

Benjamin P. Mustian, Esquire Office of Regulatory Staff P.O. Box 11263 Columbia, South Carolina 29211

Bonnie D. Shealy, Esquire Robinson McFadden & Moore, PC P.O. Box 944 Columbia, South Carolina 29202

Dear Ben and Bonnie:

I am in receipt of a copy of the letter of Joseph M. Melchers in response to two letters sent by Ben dated June 2 and June 7, 2005 regarding a discussion held after the June 2, 2005 DELTEL hearing. As pointed out by Mr. Melchers, I joined the conversation in progress, but it did appear to me that Mr. Melchers' account of the conversation is accurate from the time that I entered the discussion. I took Mr. Melchers' question to be one of a procedural nature, in which he was simply inquiring as to whether the applicant was seeking all the authority needed to carry out the Company's business plan. It was clear to me that Mr. Melchers was strongly suggesting a discussion between ORS and Applicant's counsel on this point, and that no ex parte communication was ever intended by any of the participants in the discussion.

Please let me know if I can furnish further information. Thank you for your consideration in this matter.

Sincerely,

F. David Butler Senior Counsel

J. Pail Butter

FDB/hha